

## Summary of FY 2006 Appropriations Language Changes

### Summary of FY 2006 Appropriations Language Changes

#### Departmental Offices

##### *Salaries and Expenses*

##### *(Including Transfer of Funds)*

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business, [\$157,559,000] \$195,253,000, of which not to exceed [\$7,274,000] \$16,656,000 for executive direction program activities; [not to exceed \$7,200,000 for general counsel program activities;] not to exceed [\$31,657,000] \$32,011,000 for economic policies and programs activities; not to exceed [\$26,072,000] \$24,721,000 for financial policies and programs activities; not to exceed [\$10,633,000] \$39,938,000 for [terrorism and financial intelligence] *financial crimes* policies and programs activities; not to exceed [\$16,760,000] \$16,843,000 for Treasury-wide management policies and programs activities; not to exceed [\$57,963,000] \$65,084,000 for administration programs activities: *Provided*, That the Secretary of the Treasury is authorized to transfer funds appropriated for any program activity of the Departmental Offices to any other program activity of the Departmental Offices upon notification to the House and Senate Committees on Appropriations; *Provided further*, That no appropriation for any program activity shall be increased or decreased by more than 2.5 percent by all such transfers: *Provided further*, That *notification of* any change in funding greater than 2.5 percent shall be submitted for approval to the House and Senate Committees on Appropriations: *Provided further*, That the funds identified within the administration program activity to support the Office of Foreign Assets Control shall be transferred to “Office of Foreign Assets Control”: *Provided further*, That this transfer authority shall be in addition to any other provided in this Act:] *Provided further*, That of the amount appropriated under this heading, not to exceed \$3,000,000, to remain available until September 30, [2006] 2007, for information

technology modernization requirements; not to exceed [\$100,000] \$150,000 for official reception and representation expenses; and not to exceed \$258,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate: *Provided further*, That of the amount appropriated under this heading, [\$3,393,000] \$5,173,000, to remain available until September 30, [2006] 2007, is for the Treasury-Wide Financial Statement Audit Program, of which such amounts as may be necessary may be transferred to accounts of the Department’s offices and bureaus to conduct audits: *Provided further*, That this transfer authority shall be in addition to any other provided in this Act. (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

#### [Office of Foreign Assets Control]

##### *[Salaries and Expenses]*

[For necessary expenses of the Office of Foreign Assets Control, \$22,291,000: *Provided*, That the funding available shall support no less than 138 full time equivalent positions.] (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

#### Department-wide Systems and Capital Investment Programs

##### *(Including Transfer of Funds)*

For development and acquisition of automatic data processing equipment, software and services for the Department of the Treasury, [\$32,260,000] \$24,412,000, to remain available until September 30, [2007] 2008: *Provided*, That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department’s offices, bureaus and other organizations: *Provided further*, That this transfer authority shall be in addition to any other transfer authority provided in this Act: *Provided further*, that none of the funds appropriated shall be used to support or supplement the “Internal Revenue Service, [Information Systems] Tax Administration and Operations” or “Internal Revenue Service, Business Systems Modernization.” (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

## **Office of the Inspector General**

### *Salaries and Expenses*

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, not to exceed \$2,000,000 for official travel expenses, including hire of passenger motor vehicles; and not to exceed \$100,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury, [\$16,500,000] *\$16,722,000*, of which not to exceed \$2,500 shall be available for official reception and representation expenses. (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

## **Treasury Inspector General for Tax Administration**

### *Salaries and Expenses*

For necessary expenses of the Treasury Inspector General for Tax Administration, in carrying out the Inspector General Act of 1978, as amended, including purchase (not to exceed 150 for replacement only for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343 (b)); services authorized by 5 U.S.C. 3109, at such rates as may be determined by the Inspector General for Tax Administration; not to exceed \$6,000,000 for official travel expenses; and not to exceed \$500,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General for Tax Administration, [\$129,126,000] *\$133,286,000*; and of which not to exceed \$1,500 shall be available for official reception and representation expenses. (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

## **Treasury Building and Annex Repair and Restoration**

For the repair, alteration and improvement of the Treasury Building and Annex, [\$12,316,000] *\$10,000,000*, to remain available until September 30, [2007] *2008*. (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

## **[Expanded Access to Financial Services]**

### *[(Rescission)]*

[Of the unobligated balances available under this heading, \$4,000,000 are rescinded.] (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

## **Air Transportation Stabilization Program Account**

For necessary expenses to administer the Air Transportation Stabilization Board, established by section 102 of the Air Transportation Safety and System Stabilization Act (Public Law 107-42), [\$2,000,000] *\$2,942,000*, to remain available until expended. *In fiscal year 2006, the Air Transportation Stabilization Board may charge fees to a borrower for the costs to the ATSB associated with bankruptcy proceedings of the borrower. Such fees shall be collected and deposited in the Air Transportation Stabilization Program Account, to be available for such costs.* (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

## **Community Development Financial Institutions Fund**

### *Program Account*

To carry out the Community Development Banking and Financial Institutions Act of 1994, including services authorized by 5 U.S.C. 8109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES-3, [\$55,522,000, to remain available until September 30, 2006, of which \$4,000,000 shall be for financial assistance, technical assistance, training and outreach programs designed to benefit Native American, Native Hawaiian, and Alaskan Native communities and provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending in Indian country, Native American organizations, tribes, and tribal organizations and other suitable providers, and up to \$14,900,000 may] *\$7,900,000*, to be used for [administrative expenses, including] administration of the New Markets Tax Credit[, up to \$6,000,000 may be used for the cost of direct loans, and up to \$250,000 may be used for administrative expenses to carry out the direct loan program; *Provided, That the cost of direct loans, including the cost of modifying such loans, shall*

be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$11,000,000] *Program and for management of the existing portfolio of awards to the Community Development Financial Institutions and insured financial institutions. (Departments of Veterans Affairs, and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005.)*

### **Financial Crimes Enforcement Network**

#### *Salaries and Expenses*

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel expenses of non-Federal law enforcement personnel to attend meetings concerned with financial intelligence activities, law enforcement, and financial regulation; not to exceed \$14,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, [\$72,502,000, of which \$7,500,000 shall be available for BSA Direct;] \$73,630,000 of which not to exceed [\$7,000,000] \$6,944,000 shall remain available until September 30, [2007] 2008; and of which [\$8,354,000] \$8,521,000 shall remain available until September 30, [2006] 2007: *Provided*, That funds appropriated in this account may be used to procure personal services contracts[: *Provided further*, That up to \$350,000 of the funds under this heading may be available for planning, sponsoring, administering, receiving, and such other expenses as the Director deems necessary, including reception and representation expenses, to host the 2005 Annual Plenary of the Egmont Group]. *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

### **Financial Management Service**

#### *Salaries and Expenses*

For necessary expenses of the Financial Management Service, [\$230,930,000] \$236,243,000 of which not to exceed \$9,220,000 shall remain available until September 30, [2007] 2008, for information systems modernization initiatives; and of which not to exceed \$2,500 shall be available for official reception and representation expenses. *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

### **Alcohol and Tobacco Tax and Trade Bureau**

#### *Salaries and Expenses*

For necessary expenses of carrying out section 1111 of the Homeland Security Act of 2002, including hire of passenger motor vehicles, [\$83,000,000] \$62,486,000; of which not to exceed \$6,000 for official reception and representation expenses; not to exceed \$50,000 for cooperative research and development programs for Laboratory Services; and provision of laboratory assistance to State and local agencies with or without reimbursement. *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

#### *Salaries and Expenses*

#### *(Legislative Proposal, not subject to PAYGO)*

*In addition, \$28,640,000 from the General Fund: Provided, That such amount shall be reduced by such sums as may be deposited to the Alcohol and Tobacco Regulatory Fund, so as to result in a final fiscal year 2006 appropriation from the General Fund under this paragraph estimated at \$0: Provided further, That amounts from the Alcohol and Tobacco Regulatory Fund may be transferred to this account, to be merged with and available for the same purposes as this account, to remain available until expended.*

### **United States Mint**

#### *United States Mint Public Enterprise Fund*

Pursuant to section 5136 of title 31, United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments. The aggregate amount of new liabilities and obligations incurred during fiscal year [2005] 2006 under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed [\$24,000,000] \$36,900,000. *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

### **Bureau of the Public Debt**

#### *Administering the Public Debt*

For necessary expenses connected with any public-debt issues of the United States [\$179,566,000] \$179,923,000, of which not to exceed \$2,500 shall

be available for official reception and representation expenses and of which not to exceed \$2,000,000 shall remain available until expended for systems modernization: *Provided*, That the sum appropriated herein from the General Fund for fiscal year [2005] 2006 shall be reduced by not more than [\$4,400,000] \$3,000,000 as definitive security issue fees and Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year [2005] 2006 appropriation from the general fund estimated at [\$175,166,000] \$176,923,000. In addition, [\$60,000] \$70,000, to be derived from the Oil Spill Liability Trust Fund, to reimburse the Bureau for administrative and personnel expenses for financial management of the Fund as authorized by section 1012 of Public Law 101-380. (*Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.*)

### **Internal Revenue Service Tax Administration and Operations**

*For necessary expenses of the Internal Revenue Service for tax administration operations, as authorized by law: purchase (for police-type use, not to exceed 850) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); including developmental information systems and operational information systems; and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$10,013,555,000, of which \$55,584,000 shall be for the Interagency Crime and Drug Enforcement program; of which up to \$4,100,000 shall be for the Tax Counseling for the Elderly Program; of which up to \$8,000,000 shall be available for low-income taxpayer clinic grants; and of which not to exceed \$25,000 shall be for official reception and representation expenses: *Provided further*, That of the funding available for research not to exceed \$1,000,000 shall remain available until September 30, 2007: *Provided further*, That of the funding available for information technology management and development not to exceed \$75,000,000 shall remain available until September 30, 2007: *Provided*, That not less than \$6,446,100,000 shall be available only for tax enforcement.*

*In addition to funding already available under this heading, and subject to the same terms and conditions, \$446,496,000 for enhanced tax enforcement: *Provided*, That the Secretary shall provide not later than 180 days*

*following the end of fiscal year 2006 to the Congress a report on tax enforcement which includes estimates for the entire tax enforcement program and for the tax enforcement initiative of:*

- (A) *tax enforcement spending,*
- (B) *tax enforcement workload indicators,*
- (C) *direct tax enforcement revenue, and*
- (D) *an explanation of the methodology and accuracy of the estimates provided.*

### **[Processing, Assistance and Management]**

[For necessary expenses of the Internal Revenue Service for pre-filing taxpayer assistance and education, filing and account services, shared services support, general management and administration; and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$4,089,574,000, of which up to \$4,100,000 shall be for the Tax Counseling for the Elderly Program, of which \$8,000,000 shall be available for low-income taxpayer clinic grants, and of which not to exceed \$25,000 shall be for official reception and representation expenses.]

### **[Tax Law Enforcement]**

#### *[Including Transfer of Funds]*

[For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; providing litigation support; conducting criminal investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; conducting a document matching program; resolving taxpayer problems through prompt identification, referral and settlement; expanded customer service and public outreach programs, strengthened enforcement activities, and enhanced research efforts to reduce erroneous filings associated with the earned income tax credit; compiling statistics of income and conducting compliance research; purchase (for police-type use, not to exceed 850) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$4,398,729,000, of which not to exceed \$1,000,000 shall remain available until September 30, 2007, for research: *Provided*, That up to \$10,000,000 may be transferred as necessary from this account to the IRS Processing, Assistance, and Management appropriation or the IRS Information Systems appropriation solely for the purposes of management of the Earned Income



Tax Credit compliance program and to reimburse the Social Security Administration for the cost of implementing section 1090 of the Taxpayer Relief Act of 1997 (Public Law 105-33): *Provided further*, That this transfer authority shall be in addition to any other transfer authority provided in this Act.]

### **[Information Systems]**

[For necessary expenses of the Internal Revenue Service for information systems and telecommunications support, including developmental information systems and operational information systems; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, \$1,590,492,000, of which \$200,000,000 shall remain available until September 30, 2006.] *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

### **Health Insurance Tax Credit Administration**

For expenses necessary to implement the health insurance tax credit included in the Trade Act of 2002 (Public Law 107-210), [\$34,841,000] *\$20,210,000*. *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

### **Business Systems Modernization**

For necessary expenses of the Internal Revenue Service, [\$205,000,000] *\$199,000,000* to remain available until September 30, [2007] *2008*, for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by 5 U.S.C. 3109: *Provided*, That none of these funds may be obligated until the Internal Revenue Service submits to the Committees on Appropriations[, and such Committees approve,] a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A-11 [part 3]; (2) complies with the Internal Revenue Service's enterprise architecture, including the modernization blueprint; (3) conforms with the Internal Revenue Service's enterprise life cycle methodology; (4) is approved by the Internal Revenue Service, the Department of the Treasury, and the Office of Management and Budget; (5) has

been reviewed by the Government Accountability Office; and (6) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government. *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

### **Administrative Provisions – Internal Revenue Service**

SEC. 201. Not to exceed 5 percent of any appropriation made available in this Act to the Internal Revenue Service [or not to exceed 3 percent of appropriations under the heading "Tax Law Enforcement"] may be transferred to any other Internal Revenue Service appropriation [upon the advance approval] *fifteen days after notification* of the Committees on Appropriations: *Provided*, That no such transfer may reduce funding for tax enforcement.

SEC. 202. The Internal Revenue Service shall maintain a training program to ensure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with the taxpayers, and in cross-cultural relations.

SEC. 203. The Internal Revenue Service shall institute and enforce policies and procedures that will safeguard the confidentiality of taxpayer information.

[SEC. 204. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased manpower to provide sufficient and effective 1-800 help line service for taxpayers. The Commissioner shall continue to make the improvement of the Internal Revenue Service 1-800 help line service a priority and allocate resources necessary to increase phone lines and staff to improve the Internal Revenue Service 1-800 help line service.] *(Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

### **General Provisions – Department of the Treasury**

SEC. 210. Appropriations to the Department of the Treasury in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor

vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 211. Not to exceed 2 percent of any appropriations in this Act made available to the Departmental Offices--Salaries and Expenses, Office of Inspector General, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and Bureau of the Public Debt, may be transferred between such appropriations [upon the advance approval of] *15 days after notification* to the Committees on Appropriations: *Provided*, That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 212. Not to exceed 2 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to the Treasury Inspector General for Tax Administration's appropriation [upon the advance approval of] *15 days after notification* to the Committees on Appropriations: *Provided*, That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 213. Of the funds available for the purchase of law enforcement vehicles, no funds may be obligated until the Secretary of the Treasury certifies that the purchase by the respective Treasury bureau is consistent with Departmental vehicle management principles: *Provided*, That the Secretary may delegate this authority to the Assistant Secretary for Management.

SEC. 214. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the \$1 Federal Reserve note.

SEC. 215. The Secretary of the Treasury may transfer funds from ['Financial management service, salaries and expenses'] *Financial Management Service, Salaries and Expenses* to ['Debt services'] *Debt Collection Fund* as necessary to cover the costs of debt collection: *Provided*, That such amounts shall be reimbursed

to such salaries and expenses account from debt collections received in the Debt [Services Account] *Collection Fund*.

SEC. 216. Section 122(g)(1) of Public Law 105-119 (5 U.S.C. 3104 note), is further amended by striking '[6] 7 years' and inserting '[7] 8 years'.

[SEC. 217. None of the funds appropriated or otherwise made available by this or any other Act may be used by the United States Mint to construct or operate any museum without the explicit approval of the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs.]

[SEC. 218. None of the funds appropriated or otherwise made available by this or any other Act or source to the Department of the Treasury, the Bureau of Engraving and Printing, and the United States Mint, individually or collectively, may be used to consolidate any or all functions of the Bureau of Engraving and Printing and the United States Mint without the explicit approval of the House Committee on Financial Services; the Senate Committee on Banking, Housing, and Urban Affairs; the House Committee on Appropriations; and the Senate Committee on Appropriations.]

[SEC. 219. Section 101(f) of the Treasury Department Appropriations Act, 1997 (division A of Public Law 104-208), as amended, is further amended by striking 'hereby' and 'until October 1, 2004,' and inserting 'Hereafter' before the phrase 'there is established'.]

[SEC. 220. (a) Section 3333 of title 31, United States Code, is amended as follows:

(1) By revising paragraph (a)(1) to read as follows:

'(a)(1) The Secretary of the Treasury is not liable for a payment made by the Secretary or depositary in due course and without negligence, of--

'(A) a check, draft, or warrant drawn on the Treasury or the depositary;

'(B) an electronic payment issued by the Treasury or the depositary; and

'(C) a debt obligation guaranteed or assumed by the United States Government.';

(2) By inserting after paragraph (a)(2) the following new paragraph:

“(3) The amount of the relief shall be charged to the Check Forgery Insurance Fund (31 U.S.C. 3343). A recovery or repayment of a loss for which replacement is made out of the fund shall be credited to the fund and is available for the purposes for which the fund was established.”

(b) The Check Forgery Insurance Fund (31 U.S.C. 3343) shall be available to fund amounts relating to the payment of items listed in 31 U.S.C. 3333(a)(1), as amended above, prior to the enactment of this Act.]

[SEC. 221. Not later than 60 days after enactment of this Act, the Secretary of the Treasury shall submit to the Committees on Appropriations a report describing how statutory provisions addressing currency manipulation by America’s trading partners contained in, and relating to, title 22 U.S.C. 5304, 5305, and 286y can be better clarified administratively to provide for improved and more predictable evaluation, and to enable the problem of currency manipulation to be better understood by the American people and the Congress.]

[SEC. 222. TERRORISM AND FINANCIAL INTELLIGENCE. (a) IN GENERAL- Subchapter I of chapter 3 of title 31, United States Code, is amended by adding at the end the following:

“Sec. 313. Terrorism and financial intelligence

“(a) OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE-

“(1) ESTABLISHMENT- There is established within the Department of the Treasury the Office of Terrorism and Financial Intelligence (in this section referred to as ‘OTFI’), which shall be the successor to any such office in existence on the date of enactment of this section.

“(2) LEADERSHIP-

“(A) UNDERSECRETARY- There is established within the Department of the Treasury, the Office of the Undersecretary for Terrorism and Financial Crimes, who shall serve as the head of the OTFI, and shall report to the Secretary of the Treasury through the Deputy Secretary of the Treasury. The Office

of the Undersecretary for Terrorism and Financial Crimes shall be the successor to the Office of the Undersecretary for Enforcement.

“(B) APPOINTMENT- The Undersecretary for Terrorism and Financial Crimes shall be appointed by the President, by and with the advice and consent of the Senate.

“(3) ASSISTANT SECRETARY FOR TERRORIST FINANCING-

“(A) ESTABLISHMENT- There is established within the OTFI the position of Assistant Secretary for Terrorist Financing.

“(B) APPOINTMENT- The Assistant Secretary for Terrorist Financing shall be appointed by the President, by and with the advice and consent of the Senate.

“(C) DUTIES- The Assistant Secretary for Terrorist Financing shall be responsible for formulating and coordinating the counter terrorist financing and anti-money laundering efforts of the Department of the Treasury, and shall report directly to the Undersecretary for Terrorism and Financial Crimes.

“(4) FUNCTIONS- The functions of the OTFI include providing policy, strategic, and operational direction to the Department on issues relating to--

“(A) implementation of titles I and II of the Bank Secrecy Act;

“(B) United States economic sanctions programs;

“(C) combating terrorist financing;

“(D) combating financial crimes, including money laundering, counterfeiting, and other offenses threatening the integrity of the banking and financial systems;

“(E) other enforcement matters;

“(F) those intelligence analysis and coordination functions described in subsection (b); and

“(G) the security functions and programs of the Department of the Treasury.

“(5) REPORTS TO CONGRESS ON PROPOSED MEASURES- The Undersecretary for Terrorism

and Financial Crimes and the Assistant Secretary for Terrorist Financing shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives not later than 72 hours after proposing by rule, regulation, order, or otherwise, any measure to reorganize the structure of the Department for combatting money laundering and terrorist financing, before any such proposal becomes effective.

`(6) OTHER OFFICES WITHIN OTFI- Notwithstanding any other provision of law, the following offices of the Department of the Treasury shall be within the OTFI:

`(A) The Office of the Assistant Secretary for Intelligence and Analysis, which shall report directly to the Undersecretary for Terrorism and Financial Crimes.

`(B) The Office of the Assistant Secretary for Terrorist Financing, which shall report directly to the Undersecretary for Terrorism and Financial Crimes.

`(C) The Office of Foreign Assets Control (in this section referred to as the `OFAC'), which shall report directly to the Undersecretary for Terrorism and Financial Crimes.

`(D) The Executive Office for Asset Forfeiture, which shall report to the Undersecretary for Terrorism and Financial Crimes.

`(E) The Office of Intelligence and Analysis (in this section referred to as the `OIA'), which shall report to the Assistant Secretary for Intelligence and Analysis.

`(F) The Office of Terrorist Financing, which shall report to the Assistant Secretary for Terrorist Financing.

`(7) FINCEN-

`(A) REPORTING TO UNDERSECRETARY- The Financial Crimes Enforcement Network (in this section referred to as `FinCEN'), a bureau of the Department of the Treasury, shall report to the Undersecretary for Terrorism and Financial Crimes. The Undersecretary for Terrorism and Financial

Crimes may not redelegate its reporting authority over FinCEN.

`(B) OFFICE OF COMPLIANCE- There is established within FinCEN, an Office of Compliance.

`(b) OFFICE OF INTELLIGENCE AND ANALYSIS-

`(1) ASSISTANT SECRETARY FOR INTELLIGENCE AND ANALYSIS- The Assistant Secretary for Intelligence and Analysis shall head the OIA.

`(2) RESPONSIBILITIES- The OIA shall be responsible for the receipt, analysis, collation, and dissemination of intelligence and counterintelligence information related to the operations and responsibilities of the entire Department of the Treasury, including all components and bureaus of the Department.

`(3) PRIMARY FUNCTIONS- The primary functions of the OIA are--

`(A) to build a robust analytical capability on terrorist finance by coordinating and overseeing work involving intelligence analysts in all components of the Department of the Treasury, focusing on the highest priorities of the Department, as well as ensuring that the existing intelligence needs of the OFAC and FinCEN are met; and

`(B) to provide intelligence support to senior officials of the Department on a wide range of international economic and other relevant issues.

`(4) OTHER FUNCTIONS AND DUTIES- The OIA shall--

`(A) carry out the intelligence support functions that are assigned, to the Office of Intelligence Support under section 311 (pursuant to section 105 of the Intelligence Authorization Act for Fiscal Year 2004);

`(B) serve in a liaison capacity with the intelligence community; and

`(C) represent the Department in various intelligence related activities.



‘(5) DUTIES OF THE ASSISTANT SECRETARY-

The Assistant Secretary for Intelligence and Analysis shall serve as the Senior Officer Intelligence Community, and shall represent the Department in intelligence community fora, including the National Foreign Intelligence Board committees and the Intelligence Community Management Staff.

‘(c) DELEGATION- To the extent that any authorities, powers, and responsibilities over enforcement matters delegated to the Undersecretary for Terrorism and Financial Crimes, or the positions of Assistant Secretary for Terrorism and Financial Crimes, Assistant Secretary for Enforcement and Operations, or Deputy Assistant Secretary for Terrorist Financing and Financial Crimes, have not been transferred to the Department of Homeland Security, the Department of Justice, or the Assistant Secretary for Tax Policy (related to the customs revenue functions of the Bureau of Alcohol and Tobacco Tax and Trade), those remaining authorities, powers, and responsibilities are delegated to the Undersecretary for Terrorism and Financial Crimes.

‘(d) DESIGNATION AS ENFORCEMENT ORGANIZATION- The Office of Terrorism and Financial Intelligence (including any components thereof) is designated as a law enforcement organization of the Department of the Treasury for purposes of section 9703 of title 31, United States Code, and other relevant authorities.

‘(e) USE OF EXISTING RESOURCES- The Secretary may employ personnel, facilities, and other Department of the Treasury resources available to the Secretary on the date of enactment of this section in carrying out this section, except as otherwise prohibited by law.

‘(f) REFERENCES- References in this section to the ‘Secretary’, ‘Undersecretary’, ‘Deputy Secretary’, ‘Deputy Assistant Secretary’, ‘Office’, ‘Assistant Secretary’, and ‘Department’ are references to positions and offices of the Department of the Treasury, unless otherwise specified.’.

(b) CONFORMING AMENDMENTS-

(1) TITLE 31- Section 311 of title 31, United States Code, is amended--

(A) in subsection (a)--

(i) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(ii) by inserting before paragraph (2), as so redesignated, the following:

‘(1) be within the Office of Terrorism and Financial Intelligence;’; and

(B) in subsection (b), by striking ‘Enforcement’ and inserting ‘Terrorism and Financial Crimes’.

(2) OTHER OFFICE ABOLISHED- The Office of the Undersecretary for Enforcement of the Department of the Treasury, established in accordance with section 103 of the Treasury Department Appropriations Act, 1994 (Public Law 103-123) is abolished, and all rights, duties, and responsibilities of that office are transferred on the date of enactment of this Act to the Office of the Undersecretary for Terrorism and Financial Crimes of the Department of the Treasury in accordance with this section and the amendments made by this section, except as otherwise specifically provided in this section or the amendments made by this section, or other applicable law.]

*SEC. 217. Not to exceed 5 percent of any appropriations in this Act made available to the Departmental Offices – Salaries and Expenses and Financial Crimes Enforcement Network, may be transferred between such appropriations 15 days after notification to the Committees on Appropriations: Provided, That no transfer may increase or decrease any such appropriation by more than 5 percent: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act. (Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 2005.)*

## Detail of Other Treasury Accounts

### Total Treasury Department Budget

Treasury's FY 2006 budget request covers the following areas:

#### Interest Payments -- \$400.5 billion

These are funds for interest payments needed to finance the public debt (\$392 billion); interest payments by the IRS on refunds of taxes to taxpayers (\$3.6 billion); selected interest payments on special accounts handled through the Treasury (\$4.3 billion).

#### Permanent Authority Appropriations and Trust Funds -- \$51.9 billion

These are funds for special accounts for which the Congress has given the Department of Treasury permanent authority to expend as appropriations. These accounts include primarily repayments of taxes collected for Puerto Rico, payments made when the earned income credit exceeds the taxpayer's tax liability, payments to the Resolution Funding Corporation, reimbursements to Federal Reserve Banks, special claims and damage payments required as a result of judgments against the U.S. government, and payments to Presidential candidates and their parties in accordance with Federal Election Commission certification.

#### Offsetting Collections -- -\$21.5 billion

Treasury receipts from other government agencies and private sources are subtracted from the total Treasury budget as an offset.

#### Annual Operating Appropriations (Funding for All Treasury Bureaus) -- \$11.6 billion

These are funds for the Treasury bureaus' activities. Funding for these require appropriation action by the Congress. Details of bureau operating budgets are provided in the section titled, "Analysis of FY 2006 President's Budget".

### Detail of Other Accounts

#### Interest Payments

*Interest on the Public Debt* The Federal Government's current deficit and outstanding debt requirements are financed through borrowing (e.g., auctions of

Treasury Bills, Notes, and Bonds). Funds paid to lenders for the use of their money is paid from the Interest on the Public Debt appropriation. This appropriation is permanent, indefinite, meaning that an annual appropriation request is not required to obtain this budget authority.

Interest on the Public Debt includes all interest paid on Treasury securities sold to the public (e.g., foreign and domestic financial institutions, individuals, insurance companies, state and local governments, etc.) and to Federal Government trust funds, revolving funds and deposit funds.

The Federal Government pays and receives interest, and in some cases pays itself. A better display of the Federal Government's interest cost is shown in net interest outlay estimates, comprised of:

- ✓ Interest on the public debt, plus interest on tax collection refunds; and
- ✓ Interest collections from federal agencies and the public (interest on loans to the Federal Financing Bank is the largest item of offsetting interest collections), and interest received by federal trust funds for securities held by these funds.

*Restoration of Interest, Medicare Trust Funds* The account was established to transfer amounts appropriated from the General Fund of Treasury to the Medicare Trust Fund(s) in order to make the trust fund(s) whole, when as a result of a clerical error there is a loss of interest income.

*Interest on IRS Refunds* Under certain conditions set forth in the tax law, the IRS must pay interest on Internal Revenue collections that must be refunded -- amended returns, delayed refunds of more than 45 days from the due date of the return, corporation losses covering prior year returns, results of tax audits, etc. The rate of interest changes every three months to reflect the prime interest rate then in effect.

*Interest on Uninvested Funds* Under conditions of the law creating each trust account, interest accruing and payable from the general fund of the Treasury is appropriated for payment to the proper fund receipt accounts.

*Interest Paid to Credit Financing Accounts* Loan guarantee financing accounts receive various payments and fees and make payment on defaults. When cash balances result from an excess of receipts over outlays, these balances are deposited with Treasury and earn interest. This account pays such interest to credit loan guarantee financing accounts from the general fund of the Treasury in accordance with Section 505(c) of the Federal Credit Reform Act of 1990.

*Restitution of Foregone Interest* In certain situations the Secretary of the Treasury pays interest to the Government Securities Investment Fund from the general fund of the Treasury when funds could not be invested as a result of a debt issuance suspension.

*Federal Interest Liabilities to the States* As provided in U.S.C. 3335, U.S.C. 6503, and 31 C.F.R. 205, interest is paid to states when federal funds are not transferred timely. Further, states are reimbursed for specific costs.

## **Trust Funds and Other**

### **Federal Financing Bank**

The Federal Financing Bank (FFB) was created in 1973 to ensure the coordination of federal and federally assisted borrowing from the public in a manner least disruptive to private financial markets and institutions. FFB loans are now used primarily to finance direct agency activities such as resolution of failed thrift institutions by the deposit insurance agencies, construction of federal buildings by the General Services Administration, and meeting the financial requirements of the U.S. Postal Service.

### **Payment to Resolution Funding Corporation**

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 authorized and appropriated to the Secretary of the Treasury, for fiscal year 1989 and thereafter, such sums as may be necessary to cover interest payments on obligations issued by the Resolution Funding Corporation (REFCORP). REFCORP was established under the Act to raise \$31.2 billion for the Resolution Trust Corporation (RTC) in order to resolve savings institution insolvencies.

### **Check Forgery Insurance Fund**

This fund was established as a permanent, indefinite

appropriation in order to maintain adequate funding of the Check Forgery Insurance Fund (Fund). The Fund facilitates timely payments for replacement Treasury checks necessitated due to a claim of forgery. The fund recoups disbursements through reclamations made against banks negotiating forged checks.

To reduce hardships sustained by payees of government checks that have been stolen and forged, settlement is made in advance of the receipt of funds from the endorers of the checks through reclamation procedures. If the U.S. Treasury is unable to recover funds, the account sustains the loss.

### **Payment to Terrestrial Wildlife Trust Fund**

Under P.L. 106-53, the Secretary of the Treasury is required to invest funds deposited in the Cheyenne River Sioux Tribe Terrestrial Wildlife Restoration Trust Fund and the Lower Brule Sioux Tribe Terrestrial Wildlife Restoration Trust Fund, until the funds are fully capitalized.

### **Air Transportation Stabilization Program Account**

The Air Transportation Safety and System Stabilization Act, P.L. 107-42 established the Air Transportation Stabilization Program which may issue up to \$10 billion in loan guarantees. Amounts include estimates for loan guarantees that have received either conditional or final approval.

## **Permanent Authority Appropriations**

### **Presidential Election Campaign Fund**

The fund supports payments to the candidates running for President during the primaries and the general election, as well as support of nominating conventions. Appropriations to the fund represent receipts from the Presidential Election check-off on taxpayers' income tax returns. Upon certification by the Federal Election Commission, payments are made for the above purposes. Major expenditures occur during the year of the Presidential election -- appropriations represent collections from the check-off.

### **Biomass Energy Development**

This account provided loan guarantees for the construction of biomass-to-ethanol facilities, as authorized under Title II of the Energy Security Act.

All loans went into default, and the assets of all but one project have been liquidated.

**Government Losses in Shipment**

This account was created as self-insurance to cover losses in shipment of Government property such as coins, currency, securities, and some other losses.

**Terrorism Risk Insurance Program**

The Terrorism Risk Insurance Act of 2002 (P.L. 107-297) was signed into law on November 26, 2002. The Act establishes in the Department of the Treasury, the Terrorism Insured Loss Shared Compensation Program, administered by the Secretary of the Treasury, who shall have general Program authorities and pay the Federal share of compensation for insured commercial property and casualty losses resulting from acts of terrorism. The Act provides a permanent, indefinite appropriation for the program and its administration. By law, the Program terminates on December 31, 2005.

**Sallie Mae Assessments**

The FY 1997 Omnibus Consolidated Appropriations Act authorizes the Secretary of the Treasury to establish and collect from the Sallie Mae Association an annual assessment of up to \$800,000 (adjusted for each fiscal year ending after September 30, 1997 by the CPI) to cover the expenses related to providing financial oversight of the Association. Treasury officials announced that Sallie Mae became a fully private company on December 29, 2004.

**Continued Dumping and Subsidy Offset**

P.L. 106-387 provides for relief for certain domestic producers that may be impacted by injurious dumping and/or subsidization of imported products. Assessed duties are deposited into a special fund, and distributed to domestic producers, based on a determination that a domestic producer has been injured by these unfair trade practices.

**Treasury Forfeiture Fund**

The Treasury, Postal Service, and General Government Appropriation Act, 1993 (P.L. 102-393) established this permanent appropriation to be used to pay for all seizures and forfeiture costs that occur pursuant to the Treasury Department's law enforcement activities.

**Debt Collection Special Fund**

FMS provides debt collection operational services to client agencies which include collection of delinquent accounts; and offset of federal payments against debts owed the government.

**Claims, Judgments and Relief Acts**

Appropriations are made for payment of claims and interest for damages not chargeable to appropriations of individual agencies, and for payment of private and public relief acts. Public Law 95-26 authorized a permanent, indefinite appropriation to pay certain judgments from the general fund of the Treasury.

**Confiscated and Vested Iraqi Property and Assets**

Executive Order 13290 of March 20, 2003 authorized the use of seized Iraqi assets for the relief and reconstruction of Iraq.

**Reimbursement to Federal Reserve Banks**

Public Law 101-509 established a permanent, indefinite appropriation to reimburse Federal Reserve Banks for their services as fiscal agents for the Bureau of the Public Debt beginning in FY 1994.

In addition, an appropriation was established for the Financial Management Service to reimburse Federal Reserve Banks in their capacity as depositories and fiscal agents for the United States for all services required or directed by the Secretary of the Treasury to be performed by such banks on behalf of the Treasury or other Federal agencies.

**Financial Agent Services**

A permanent, indefinite appropriation was included in the FY 2004 Omnibus Appropriation Conference Report that allows the Financial Management Service to reimburse financial institutions for services provided in their capacity as depositories and fiscal agents for the United States. The services provided are authorized under numerous statutes, including, but not limited to, 12 U.S.C. 90 and 265. The services include the acceptance and processing of deposits of public money, as well as services essential to the disbursement of and accounting for public monies.



### **Temporary State Fiscal Assistance Fund**

This account was established under Public Law 108-27 (Title VI, Sec. 601(a)). Upon submission of a certification to the Financial Management Service (FMS), FMS will make payments to the States, the District of Columbia, and U.S. territories (Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa). The certification must state how the funds will be used and the purposes should be in accordance with the P.L. requirements. Payments are based on population and all funds have been disbursed.

### **Duties, Taxes and Fees (Puerto Rico)**

Treasury's Alcohol and Tobacco Tax and Trade Bureau collects duties and excise taxes for Puerto Rico. These funds are deposited in a Treasury receipt account. After the bureau deducts its cost of collecting these funds, the balance is refunded back to Puerto Rico through this account, which is shown as a Treasury outlay. In total, the activity (receipts/outlays) generally balances to zero, although the repayment is required to be included in total Treasury expenditures.

### **Internal Revenue Service – New and Existing Fees**

The Secretary of the Treasury may establish new fees or raise existing fees for services provided by the IRS to increase receipts, where such fees are authorized by another law. The fees may be spent to supplement appropriations.

### **Internal Revenue Service – Informant Payments**

The Secretary of the Treasury may make payments to individuals resulting from information given that leads to the collection of Internal Revenue taxes. The Taxpayer Bill of Rights of 1996 (Public Law 104-168) provides for payments of such sums to individuals from the proceeds of amounts (other than interest) collected by reason of the information provided, and any amount collected shall be available for such payments.

### **Internal Revenue Service- Private Collection Agent Program**

The American Jobs Creation Act of 2004 (Public Law 108-357) included an important new tax enforcement tool. Like many states and other Federal agencies,

the IRS will now be able to hire private collection agencies to supplement its own collection staff's efforts to ensure that all taxpayers pay what they owe. The legislation ensures contractors respect taxpayer rights. The statute further authorizes the Secretary of the Treasury to retain and use an amount not in excess of 25 percent of the amount collected under any qualified tax collection contract for payments to private collection agents, and an amount not in excess of 25 percent of the amount collected for collection enforcement activities of the IRS.

### **Payment Where Child Credit Exceeds Liability for Tax**

The child credit (originally authorized under the Taxpayer Relief Act of 1997) calls for an additional payment to the tax filer. This account is used only in those instances when the credit will exceed the amount of the tax liability owed through the individual income tax system.

### **Payment Where Credit Exceeds Tax Liability (Earned Income Credit)**

The earned income credit (originally authorized under the Tax Reduction Act of 1975) calls for absolute tax credits to low income taxpayers who meet certain qualifications. This account is used only when the tax credit exceeds the taxpayer's total liability for taxes is this account used, and only by the amount that the tax liability is exceeded.

### **Payment Where Health Care Credit Exceeds Liability for Tax**

The health care credit calls for a refundable tax credit for health insurance purchased by individuals and families who are not covered by employer-sponsored insurance nor eligible for public programs.

## **Offsetting Collections**

In general, amounts collected by the Federal Government are classified in two major categories:

- Governmental receipts – Revenues that arise from the sovereign and regulatory powers unique to the Federal Government. They consist primarily of tax receipts, but also include customs duties, court fines, certain licenses, etc. All governmental

receipts are deposited into receipt accounts. These receipts are always reported in total (rather than as an offset to budget authority and outlays).

- Offsetting receipts - Collections that are offset against the budget authority and outlays of the collecting agency rather than reflected as governmental receipts in computing budget totals. Offsetting receipts are comprised of:
  - Proprietary Receipts - These receipts from the public are market-oriented and are derived from activities operated as business-type enterprises.
  - Intragovernmental Receipts - These are collections from other governmental accounts deposited in receipt accounts. These are further classified as follows:
  - Interfund Receipts - These are amounts derived from payments between federal and trust funds.
  - Intrafund Receipts - These are amounts derived from payments within the same fund group (i.e., within the federal fund group or within the trust fund group).

#### Offsetting Collections

(dollars in billions)

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Estimate
Proprietary	13.6	14.3	14.7
Interfund	1.3	1.6	5.0
Intrafund	2.1	1.7	1.8
<b>TOTAL</b>	<b>17.0</b>	<b>17.6</b>	<b>21.5</b>